

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

SERVICE PERFORMANCE MEASUREMENT  
SYSTEMS FOR MARKET-DOMINANT PRODUCTS

Docket No. PI2022-2

**REPLY COMMENTS OF THE UNITED STATES POSTAL SERVICE**  
(April 7, 2022)

Pursuant to Order No. 6104,<sup>1</sup> the United States Postal Service (Postal Service) respectfully submits these reply comments in response to comments filed in this docket by the Public Representative, the Association for Postal Commerce (PostCom), the National Association of Presort Mailers (NAPM), and the Lexington Institute (LI). The Postal Service addresses the commenters' principal concerns below.

At the outset, the Postal Service notes that the Postal Regulatory Commission (Commission) is considering a new online service performance dashboard to provide visual data and interactive tools, and the Commission opened this proceeding to seek public input with respect to (1) the proposed service performance dashboard and (2) "other questions pertaining to data accessibility and usability."<sup>2</sup> Where the commenters seek to expand the scope of this docket beyond these two subjects, the Commission

<sup>1</sup> Notice and Order Providing an Opportunity to Comment on the Service Performance Dashboard, Docket No. PI2022-2, February 10, 2022.

<sup>2</sup> Id. at 1.

should either disregard them or defer them to other, more suitable proceedings.<sup>3</sup>

## **I. Service Performance and Reporting**

A number of commenters suggest that the proposed performance dashboard should feature greater amounts of reporting and data. PostCom contends that “greater depth in reporting is possible,” and requests that the Commission “present disaggregated service performance information.”<sup>4</sup> NAPM suggests that the proposed dashboard should provide more contextual information to describe “what data is being presented, e.g., that not all mail is included in the measurement data, etc.,” and explain “what data is being aggregated (where aggregated data is presented) and what that means . . .”<sup>5</sup> NAPM further states that “[b]ecause so much performance data gets reported by the USPS and others at a high level (aggregated), it does not reflect the service performance experience of users of a particular product.”<sup>6</sup>

As an initial matter, we note that yesterday, President Biden signed into law H.R. 3076, the Postal Service Reform Act of 2022 (PSRA).<sup>7</sup> The PSRA requires the Postal Service to provide the Commission with “reasonable targets for performance” for market-dominant products within 60 days of the beginning of the fiscal year in which they will apply. After receiving the initial performance targets required under the PSRA,

---

<sup>3</sup> For instance, LI dedicates most of its comments to addressing the Postal Service’s service performance and setting of performance targets. This discussion is irrelevant to this proceeding, and hence is not addressed in these reply comments. In any event, since the initial Comments were filed in the present docket, the Commission has already addressed the Plan’s intended 95 percent targets in another docket. Specifically, in Docket No. ACR2021, the Commission issued its Annual Compliance Determination Report (ACD) on March 29, 2022; in the ACD (at p. 128), the Commission has directed the Postal Service to file as part of its FY 2022 Annual Compliance Report a plan and timeline for the transition to the 95 percent targets.

<sup>4</sup> PostCom Comments at 3.

<sup>5</sup> NAPM Comments at 4.

<sup>6</sup> *Id.* at 2.

<sup>7</sup> Public Law No. 117-108.

the Commission has 90 days to provide the Postal Service with requirements for publishing performance information and related recommendations. After receiving those recommendations, as several of the commenters recognized, the legislation also requires that the Postal Service establish an online public website and performance dashboard to present this information.

While the Commission is still considering what features it might include in its own performance dashboard, it appears there could be significant duplication, overlap and potential inconsistency between the information contained in the performance dashboard contemplated by the Commission, and the performance dashboard that the Postal Service must establish under the detailed framework set forth in new Section 3692 of Title 39, U.S. Code, as enacted in the PSRA. Notably, the PSRA requires the Postal Service to publish a great deal of information for individual market-dominant products, including performance information for different geographic areas, performance information for different time periods, and comparisons of performance information for market-dominant products to performance information for previous time periods. In addition, the Postal Service's interactive website is required to include functionality to enable a user to search for performance information by street address, ZIP Code, or post office box. The website must also be updated on a weekly basis.

Given the potential duplication, overlap or possible inconsistencies between the intended purposes and information contained in the performance dashboard contemplated by the Commission and the Postal Service's statutorily required performance dashboard, the Postal Service would welcome the opportunity to work cooperatively with the Commission in order to avoid duplication of effort and redundant

reporting, and to promote economy of operations. Different public dashboards on service performance that are introduced at different times and present service performance information in different ways also run the risk of causing confusion among the general public, which would be inconsistent with the purpose of this provision of the PSRA.

The PSRA contemplates that cooperation and consultation between the Postal Service and the Commission will occur on how to present service performance information to the public within the new and detailed framework established by Congress, both in terms of the initial recommendations issued by the Commission pursuant to Section 3692(b) of Title 39, U.S. Code, and on a regular basis thereafter pursuant to Section 3692(c)(6).<sup>8</sup> In order to give the Postal Service and the Commission the opportunity to collaborate in this area in the manner contemplated by the PSRA, the Postal Service respectfully recommends that the Commission not move forward with its dashboard, and to instead pursue the procedures mandated by Section 3692 to ensure that the Postal Service's statutorily required dashboard is timely introduced.

Finally, the Public Representative contends that District-level service performance reporting (where possible) is more meaningful to the general public than national-level service performance reporting.<sup>9</sup> The Public Representative further suggests that, in order to make the District-level service performance data more meaningful to the general public, the dashboard should contain a key that shows how a

---

<sup>8</sup> The Postal Service must also seek public input pursuant to Section 3692(c)(7).

<sup>9</sup> Public Representative Comments at 1.

party's ZIP Code is grouped by District.<sup>10</sup> We note that information tying Areas and Districts to 3- or 5-digit ZIP Code information is already available on the Postal Service's public website.<sup>11</sup> More significantly, it will also be a mandatory element of the new dashboard that must be developed under Section 3692, and this fact provides further support for not moving forward with the Commission's contemplated dashboard.<sup>12</sup>

## **II. USPS Financial Condition Information**

NAPM suggests that the performance dashboard should include "USPS financial projections compared to actual financial performance and trends . . . to get a clearer picture of the Postal Service's financial condition."<sup>13</sup> As a preliminary matter, we note that extensive information about the Postal Service's financial condition is already publicly available, including on the USPS financials website, and we would recommend that the Commission not delve into the creation of financial condition dashboards.<sup>14</sup> Among other resources, the website has links to the following reports filed by the Postal Service:

- Annual Report to Congress, which contains annual actuals and next-year forecast for financial performance;
- 10-Q and 10-K reports, which contain very detailed quarterly and annual breakdowns of financial results;
- Revenue, Pieces & Weight (RPW) reports, which contain detailed breakdowns of volume, weight, and revenue by product; and
- Integrated Financial Plan, which contains last-year breakdown of performance versus plan and next-year forecast for financial performance.

---

<sup>10</sup> *Id.* at 2.

<sup>11</sup> See [https://postalpro.usps.gov/ais-viewer/area\\_dist\\_zip](https://postalpro.usps.gov/ais-viewer/area_dist_zip)

<sup>12</sup> See Section 3692(c)(4).

<sup>13</sup> NAPM Comments at 7.

<sup>14</sup> See <https://about.usps.com/what/financials/>

A great deal of this information is also filed with the Commission. The financial disclosure reports that are filed with the Commission are subject to the rules of the Securities and Exchange Commission, are reviewed on a quarterly basis by the Audit and Finance Committee of the Board of Governors and annually by the Board as a whole, and are subject to audit by Ernst and Young, the outside auditors for the Postal Service. Given the rigorous required review of the financial disclosure reports, and the public availability of the myriad sources of detailed and comprehensive financial information about the Postal Service, there is no reason for the Commission's proposed dashboard initiative to include financial information. Financial information would not add value or utility to a performance dashboard, as there is abundant, available information in the public domain already. Moreover, the Commission already generates an annual report regarding the Postal Service's financial condition,<sup>15</sup> and has the opportunity to create detailed charts and organization of data through the Annual Compliance Determination,<sup>16</sup> as well as through the Commission's analysis of the Postal Service's Annual Performance Report and Performance Plan.<sup>17</sup> Adding yet another resource would not aid in achieving the level of transparency that is already well served by many of the publications posted publicly on both the Commission and Postal Service websites.

---

<sup>15</sup> See Financial Analysis of United States Postal Service Financial Results and 10-K Statement, Fiscal Year 2020, Nov. 4, 2021, *available at* <https://www.prc.gov/sites/default/files/reports/FY2020%20Financial%20Report%20%28REVISED%29.pdf>

<sup>16</sup> See Annual Compliance Determination Report, Fiscal Year 2021, March 29, 2022, *available at* <https://www.prc.gov/docs/121/121270/fy%202021%20acd.pdf>

<sup>17</sup> See Analysis of the Postal Service's FY 2020 Annual Performance Report and FY 2021 Annual Performance Plan, June 2, 2021, *available at* <https://www.prc.gov/sites/default/files/reports/FY%202020%20Report%20FY%202021%20Plan.pdf>

## **CONCLUSION**

The Postal Service appreciates the opportunity to share observations on the issues raised by the initial comments received in this docket and looks forward to working cooperatively with the Commission on a new dashboard as specified by the PSRA.

Respectfully submitted,

UNITED STATES Postal Service  
By its attorneys:

Anthony F. Alverno  
Chief Counsel  
Global Business & Service Development

Jeffrey A. Rackow  
Mikhail Raykher  
Christopher M. O'Connell  
Attorneys

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1101  
christopher.m.o'connell@usps.gov  
(202) 268-7515  
April 7, 2022